Kendek Products Sdn Bhd v Dip Chan Manufacturing Sdn Bhd

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO WA-22IP-52–08 OF 2021
AZLAN SULAIMAN JC
11 JANUARY 2024

Patents — Infringement — Validity — Plaintiff claimed infringement of patent by defendant — Defendant counterclaimed invalidity of patent — Whether plaintiff had locus standi to bring patent infringement proceedings against defendant — Whether patent novel, lacked inventive step and did not comply with requirements for registration by the Patents Regulations 1986 — Whether there was infringement

The plaintiff brought this action against the defendant under the Patents Act 1983 ('Act') for the infringement of Malaysian Patent No MY-145342-A ('Patent 342') which was entitled 'Improvement to Holder of Former Used in Dipped Latex Products Manufacturing Process'. The latex products that were manufactured were latex (rubber) gloves. A 'former' was the mould made out of ceramic in the shape of the gloves to form them. The 'holder' held the former to the conveyor chain of a dipping machine. As the conveyor chain with multiple holders and multiple formers rotated along the dipping machine, the formers were at specific intervals dipped into containers filled with latex. Immersed with the latex, the formers were then lifted out to emerge in the form of rubber gloves coated in latex. When dried and upon being removed from the formers, rubber gloves would result. Patent 342 was supposed to be an invention which made an inventive improvement to the holders of such contraption. Apart from disputing infringement, the defendant counterclaimed to invalidate Patent 342 on the grounds that it was not novel, lacked an inventive step and did not comply with certain requirements for registration by the Patents Regulations 1986 ('Regulations'). In addition, the defendant challenged the plaintiff's locus standi to bring patent infringement proceedings against the defendant because Patent 342 was initially applied by for and registered in the name of Kendek Industry Sdn Bhd ('Kendek Industry') and not the plaintiff ie Kendek Products Sdn Bhd. The plaintiff alleged that Kendek Industry later validly assigned Patent 342 to it. The defendant contended that the assignment was invalid, and Kendek Industry ought to remain as the registered owner of Patent 342 and, therefore, the only party having locus standi to bring infringement proceedings against it. The defendant's sole objection to the assignment was that the application for recording of assignment or transmission ('Form 6') was not actually signed by Kendek Industry as required by reg 34(2) of the Regulations. The defendant's

case that Patent 324 was not novel was because it was anticipated by prior art, in the form of drawings of holder sets ('KLE holder sets') by Keng Lek Engineering Sdn Bhd ('KLE Engineering') and KLE Product Sdn Bhd ('KLE Product'). A

Held, allowing the plaintiff's claim and dismissing the defendant's counterclaim: B

(1) The assignment of Patent 342 from Kendek Industry to the plaintiff was valid. Firstly, the deed of assignment (which was signed by both Kendek Industry and the plaintiff), was sufficient proof that Kendek Industry had intended to assign Patent 342 to the plaintiff and that the plaintiff had intended to accept that assignment. Secondly, the Form 6 that their patent agent ie KASS International Sdn Bhd ('KASS') submitted to MyIPO was substantially in the same Form 6 as prescribed by the Regulations. Thirdly, the recordal of assignment and the online search were evidence that the Registrar had accepted the Form 6 and the assignment of the patent from Kendek Industry to the plaintiff. Fourthly, both Kendek Industry and the plaintiff were represented by KASS, who had signed the Form 6. The absence of a counter-signature by Kendek Industry alone did not invalidate the Form 6 or the assignment of Patent 342 from Kendek Industry to the plaintiff. Since the assignment of Patent 342 from Kendek Industry to the plaintiff was valid, the plaintiff did have the necessary locus standi to bring this patent infringement proceedings against the defendant (see paras 13–17 & 23–24). C D E F

(2) Even if the subject matter of the sample work sheet documents and engineering drawings the defendant adduced did exhibit the features of the claims to Patent 342, the defendant's failure to adduce a single trading document like invoices, delivery orders, pro forma invoices and official receipts prior to the priority date of 7 April 2005 showed that there was no disclosure to the public for it to constitute prior art. Next, there was a joint venture involving Kendek Industry, KLE Engineering and KLE Product to manufacture parts and components for the dipped latex production line. The sample work sheet documents and engineering drawings of the KLE holder sets and related parts alleged to have been made circa January 2002 to February 2004 were the product of that joint-venture. Accordingly, the sample work sheet documents and engineering drawings of the Keng Lek holder sets and related parts alleged to have been made circa January 2002 to February 2004 and any product arising therefrom were not prior art, as they were the direct product of information communicated under the obligation of confidence under the joint venture. As such, any disclosure to any of the third parties under such circumstances did not amount to disclosure to the public under s 14(2)(a) of the Act (see paras 34, 41–42 & 50). G H I

(3) An invention shall be considered as involving an inventive step if it was not obvious to a person having ordinary skill in the art ('POSITA'). If an invention was obvious to a POSITA, then it did not involve an inventive step, lacked inventiveness and could not qualify for patent protection. The inventive concept of Patent 342 was to provide a former holder with a D-shaped shaft and D-shaped locking plate aperture, as this would ensure precise orientation (with the locking plate at right angles to the former mouth opening) and also allowed the former guides to be shorter, hence making it easier and faster to change the former, as compared to any of the prior art. As at the priority date, the common general knowledge at the priority date was for a former holder to have a round-shaped shaft and a round-shaped locking plate aperture. In comparison to the prior art, Patent 342 made the removal of the former exceedingly easier. Lastly, while a POSITA may find it obvious to consider alternative former guide shapes to try and narrow the potential angular movement of the locking plate that was present in the prior art, reconfiguring the former set to use a D-shaped shaft and matching D-shape locking plate aperture would not be obvious as there was no suggestion of using D-shapes for orientating formers in any of the prior art. Thus, Patent 342 did involve an inventive step (see paras 63, 67, 73 & 75–77).

(4) The claims in Patent 342 were clear and concise and were fully supported by the description. The defendant had failed to establish any of its grounds to invalidate Patent 342 and therefore the defendant's counterclaim to invalidate Patent 342 was dismissed with costs (see paras 85 & 94).

(5) The defendant's products alleged to have infringed Patent 342 were adduced and marked as exhs P4 and P7. The plaintiff's expert compared exhs P4 and P7 and concluded that they contained all of the features claimed in Patent 342. Exhibits P4 and P7 infringed Patent 342. Consequently, the defendant had infringed Patent 342 and therefore it was found for the plaintiff on its claim for patent infringement against the defendant. All the relief sought by the plaintiff in its statement of claim were allowed (see paras 101, 110 & 119–120).

[Bahasa Malaysia summary

Plaintif membawa tindakan ini terhadap defendan di bawah Akta Paten 1983 ('Akta') atas dakwaan pelanggaran Paten Malaysia No MY-145342-A ('Paten 342') yang bertajuk 'Penambahbaikan kepada Pemegang Bekas yang Digunakan dalam Proses Pembuatan Produk Lateks Celup'. Produk lateks yang dihasilkan adalah sarung tangan lateks (getah). 'Bekas' adalah acuan yang diperbuat daripada seramik dalam bentuk sarung tangan untuk membentuknya. 'Pemegang' memegang bekas pada rantai penghantar mesin pencelup. Apabila rantai penghantar dengan beberapa pemegang dan beberapa

bekas berputar sepanjang mesin pencelup, bekas dicelup pada selang tertentu ke dalam bekas yang diisi dengan lateks. Dicelup dengan lateks, bekas kemudian diangkat keluar untuk muncul dalam bentuk sarung tangan getah yang disaluti lateks. Apabila dikeringkan dan dikeluarkan dari bekas, sarung tangan getah akan terhasil. Paten 342 sepatutnya merupakan ciptaan yang membuat penambahbaikan kepada pemegang alat tersebut. Selain menafikan pelanggaran, defendan membuat tuntutan balas untuk membatalkan Paten 342 atas alasan bahawa ia bukan sesuatu yang baharu, tidak mempunyai langkah inventif, dan tidak mematuhi keperluan tertentu untuk pendaftaran oleh Peraturan-Peraturan Paten 1986 ('Peraturan'). Selain itu, defendan mencabar kedudukan plaintif untuk membawa prosiding pelanggaran paten terhadap defendan kerana Paten 342 pada asalnya dipohon untuk dan didaftarkan atas nama Kendek Industry Sdn Bhd ('Kendek Industry') dan bukannya plaintif iaitu Kendek Products Sdn Bhd. Plaintif mendakwa bahawa Kendek Industry kemudian secara sah menyerahkan Paten 342 kepadanya. Defendan berpendapat bahawa penyerahan itu tidak sah, dan Kendek Industry seharusnya kekal sebagai pemilik berdaftar bagi Paten 342 dan, oleh itu, satu-satunya pihak yang mempunyai kedudukan untuk membawa prosiding pelanggaran terhadapnya. Satu-satunya bantahan defendan terhadap penyerahan itu adalah bahawa permohonan untuk merekodkan penyerahan atau pemindahan ('Borang 6') sebenarnya tidak ditandatangani oleh Kendek Industry seperti yang dikehendaki oleh peraturan 34(2) Peraturan. Kes defendan bahawa Paten 324 bukanlah sesuatu yang baharu adalah kerana ia telah dijangkakan oleh seni terdahulu, dalam bentuk lukisan set pemegang ('set pemegang KLE') oleh Keng Lek Engineering Sdn Bhd ('KLE Engineering') dan KLE Product Sdn Bhd ('Produk KLE').

Diputuskan, membenarkan tuntutan plaintif dan menolak tuntutan balas defendan:

(1) Penyerahan Paten 342 daripada Kendek Industry kepada plaintif adalah sah. Pertama, surat ikatan penyerahan hak (yang ditandatangani oleh kedua-dua Kendek Industry dan plaintif) adalah bukti mencukupi bahawa Kendek Industry berhasrat untuk memindahkan Paten 342 kepada plaintif dan bahawa plaintif berhasrat menerima penyerahan itu. Kedua, Borang 6 yang dihantar oleh ejen paten mereka, iaitu KASS International Sdn Bhd ('KASS') kepada MyIPO adalah secara substansial dalam Borang 6 yang sama seperti yang ditetapkan oleh Peraturan. Ketiga, rekod penyerahan dan carian dalam talian adalah keterangan bahawa Pendaftar telah menerima Borang 6 dan penyerahan paten daripada Kendek Industry kepada plaintif. Keempat, kedua-dua Kendek Industry dan plaintif diwakili oleh KASS, yang telah menandatangani Borang 6. Ketiadaan tandatangan balas oleh Kendek Industry sahaja tidak membatalkan Borang 6 atau pemindahan Paten 342 daripada Kendek Industry kepada plaintif. Oleh kerana pemindahan Paten 342

daripada Kendek Industry kepada plaintif adalah sah, plaintif mempunyai locus standi yang diperlukan untuk membawa prosiding pelanggaran paten ini terhadap defendan (lihat perenggan 13–17 & 23–24).

(2) Walaupun dokumen kertas kerja sampel dan lukisan kejuruteraan yang dikemukakan oleh defendan menunjukkan ciri-ciri tuntutan kepada Paten 342, kegagalan defendan untuk mengemukakan satu dokumen perdagangan seperti invois, pesanan penghantaran, invois pro forma dan resit rasmi sebelum tarikh keutamaan 7 April 2005 menunjukkan bahawa tiada pendedahan kepada orang awam untuk ia membentuk seni terdahulu. Seterusnya, terdapat usaha sama yang melibatkan Kendek Industry, KLE Engineering dan KLE Product untuk mengeluarkan bahagian dan komponen untuk barisan pengeluaran lateks celup. Dokumen lembaran kerja sampel dan lukisan kejuruteraan bagi set pemegang KLE dan bahagian berkaitan yang dikatakan dibuat sekitar Januari 2002 hingga Februari 2004 adalah hasil daripada usaha sama tersebut. Oleh itu, dokumen lembaran kerja sampel dan lukisan kejuruteraan bagi set pemegang KLE dan bahagian berkaitan yang didakwa dibuat sekitar Januari 2002 hingga Februari 2004 dan sebarang produk yang timbul daripadanya bukanlah seni terdahulu, kerana ia adalah hasil langsung daripada maklumat yang dikomunikasikan di bawah kewajipan kerahsiaan dalam usaha sama tersebut. Oleh itu, sebarang pendedahan kepada mana-mana pihak ketiga di bawah keadaan sedemikian tidak dianggap sebagai pendedahan kepada awam di bawah s 14(2)(a) Akta (lihat perenggan 34, 41–42 & 50).

(3) Sesuatu ciptaan akan dianggap mempunyai langkah inventif jika ia tidak jelas kepada seseorang yang mempunyai kemahiran biasa dalam seni ('POSITA'). Jika sesuatu ciptaan jelas kepada POSITA, maka ia tidak melibatkan langkah inventif, kurang kreativiti dan tidak layak untuk perlindungan paten. Konsep inventif Paten 342 adalah untuk menyediakan pemegang dengan aci berbentuk D dan lubang plat kunci berbentuk D, kerana ini akan memastikan orientasi tepat (dengan plat kunci pada sudut tepat ke bukaan mulut bekas) dan juga membolehkan bekas panduan lebih pendek, dengan itu memudahkan dan mempercepatkan perubahan bekas, berbanding dengan sebarang seni terdahulu. Pada tarikh keutamaan, pengetahuan umum pada tarikh keutamaan adalah untuk pemegang bekas mempunyai aci berbentuk bulat dan lubang plat kunci berbentuk bulat. Berbanding dengan seni terdahulu, Paten 342 memudahkan penyingkiran bekas dengan sangat mudah. Akhir sekali, walaupun POSITA mungkin mendapati jelas untuk mempertimbangkan bentuk panduan bekas alternatif untuk mencuba dan menyempitkan potensi pergerakan sudut plat kunci yang terdapat dalam seni terdahulu, mengkonfigurasi semula set bekas untuk menggunakan aci berbentuk D dan lubang plat kunci berbentuk D yang

sepadan tidak akan jelas kerana tiada cadangan untuk menggunakan bentuk D untuk mengorientasi bekas dalam mana-mana seni terdahulu. Oleh itu, Paten 342 memang melibatkan langkah inventif (lihat perenggan 63, 67, 73 & 75–77).

(4) Tuntutan dalam Paten 342 adalah jelas dan ringkas serta disokong sepenuhnya oleh keterangan. Defendan gagal membuktikan sebarang asas untuk membatalkan Paten 342 dan oleh itu tuntutan balas defendan untuk membatalkan Paten 342 ditolak dengan kos (lihat perenggan 85 & 94).

(5) Produk defendan yang didakwa telah melanggar Paten 342 dikemukakan dan ditandakan sebagai eksh P4 dan P7. Pakar plaintif membandingkan eksh P4 dan P7 dan menyimpulkan bahawa mereka mengandungi semua ciri yang dituntut dalam Paten 342. Ekshibit P4 dan P7 melanggar Paten 342. Oleh itu, defendan telah melanggar Paten 342 dan keputusan dibuat memihak kepada plaintif atas tuntutan pelanggaran paten terhadap defendan. Semua ganti rugi yang diminta oleh plaintif dalam pernyataan tuntutannya dibenarkan (lihat perenggan 101, 110 & 119–120).]

Cases referred to

Cadware Sdn Bhd v Ronic Corp [2013] 6 MLJ 19, CA (refd)
Catnic Components Ltd & Anor v Hill & Smith Ltd [1982] RPC 183, HL (refd)
China Road & Bridge Corp & Anor v DCX Technologies Sdn Bhd and another appeal [2014] 5 MLJ 1; [2014] 7 CLJ 644, CA (refd)
Kendek Industry Sdn Bhd v Ecotherm (TFT) Sdn Bhd [2010] MLJU 333; [2010] 10 CLJ 219, HC (refd)
Kingtime International Ltd & Anor v Petrofac E&C Sdn Bhd [2018] MLJU 1840, HC (refd)
Merck Sharp & Dohme Corp & Anor v Hovid Bhd [2019] 4 MLJ 121, CA (refd)
Merck Sharp & Dohme Corporation & Anor v Hovid Bhd [2022] MLJU 16, HC (refd)
Newacres Sdn Bhd v Sri Alam Sdn Bhd [1991] 3 MLJ 474, SC (refd)
Rodi & Wienenberger AG v Henry Showell Ltd [1969] RPC 367, HL (refd)
SKB Shutters Manufacturing Sdn Bhd v Seng Kong Shutter Industries Sdn Bhd & Anor [2015] 6 MLJ 293, FC (refd)
Spind Malaysia Sdn Bhd v Justrade Marketing Sdn Bhd & Anor [2018] 4 MLJ 34, FC (refd)
The General Tire & Rubber Company v The Firestone Tyre and Rubber Company Limited and Others [1972] RPC 457, SC (refd)
Vision Cast Sdn Bhd & Anor v Dynacast (Melaka) Sdn Bhd & Ors [2015] 1 MLJ 424; [2014] 8 CLJ 884, CA (refd)
Windsurfing International Inc v Tabur Marine (Great Britain) Ltd [1985] RPC 59, CA (refd)
YKL Engineering Sdn Bhd v Sungei Kahang Palm Oil Sdn Bhd & Anor [2022]

6 MLJ 1; [2022] 8 CLJ 32, FC (refd)
Yeohata Machineries Sdn Bhd v Coil Master Sdn Bhd & Ors [2015] 6 MLJ 810, CA (refd)

Legislation referred to

Civil Law Act 1956 s 4(3)
Patent Regulations 1986 regs 12(1)(c), 13(1), (6), 34, 34(2), (3), (4), Form 6
Patents Act 1983 ss 11, 14(1), (2)(a), 15, 17A, 23, 26, 27A, 38, 56, 56(2)(a), (2)(b), 58
Rules of Court 2012 O 15 r 6(b)

Suaran Singh (with Chow Xing Hui and Ashwinathan Selvanathan (PIC)) (Law Partnership) for the plaintiff.
Ravin Woodhull (with Wong Huei Niang) (Huei & Co) for the defendant.

Azlan Sulaiman JC:

A. INTRODUCTION

[1] This action involves Malaysian Patent No MY-145342-A ('Patent 342'). Patent 342 is a product patent, entitled 'Improvement to Holder of Former Used in Dipped Latex Products Manufacturing Process'.

[2] The product under Patent 342 is not as perplexing as it sounds, when that title is broken down. The latex products that are manufactured here are latex (rubber) gloves. A 'former' is the mould made out ceramic in the shape of the gloves to form them. The 'holder' literally does as it is named; it holds the former to the conveyor chain of a dipping machine. As the conveyor chain with multiple holders and multiple formers rotates along the dipping machine, the formers are at specific intervals dipped into containers filled with latex. Immersed with the latex, the formers are then lifted out to emerge in the form of rubber gloves coated in latex. When dry and upon being removed from the formers, rubber gloves will result.

[3] Thus, Patent 342 is supposed to be an invention which makes an inventive improvement to the holders of such contraption.

[4] The plaintiff brought this action against the defendant under the Patents Act 1983 ('the Act') for infringement of Patent 342. Apart from disputing infringement, the defendant counterclaimed to invalidate Patent 342, on the grounds that it is not novel, lacks an inventive step, and further does not comply with certain requirements for registration prescribed by the Patent Regulations 1986. In addition, the defendant challenges the plaintiff's locus standi to bring patent infringement proceedings against the defendant.

B. THE ISSUES AND THE ORDER FOR DEALING WITH THEM

[5] The issues to be decided therefore encompass three areas; patent infringement, patent invalidation, and the plaintiff's locus standi. However, in this judgment they will be dealt with in reverse order, for the following reasons:

(a) firstly, if the plaintiff is found not to have locus standi to bring patent infringement proceedings against the defendant, that will not only dispose of the plaintiff's claim for patent infringement, but also the defendant's counterclaim for patent invalidation. If the plaintiff does not have locus standi to sue the defendant for patent infringement of Patent 342, then surely the defendant's counterclaim for patent invalidation would also have been brought against the wrong party; and

(b) secondly, if Patent 342 is found to be invalid, then the consequential effect of that finding is that it should never have been registered in the first place, and patent infringement by the defendant could not possible occur. This was the approach of the Federal Court in *Spind Malaysia Sdn Bhd v Justrade Marketing Sdn Bhd & Anor* [2018] 4 MLJ 34, in the High Court in *Kingtime International Ltd & Anor v Petrofac E&C Sdn Bhd* [2018] MLJU 1840 and in *Merck Sharp & Dohme Corporation & Anor v Hovid Bhd* [2022] MLJU 16, which also involved the scenario of a patent infringement claim being countered by a patent invalidation claim.

C. THE PLAINTIFF'S LOCUS STANDI

[6] This issue arises because Patent 342 was initially applied by for and registered in the name of Kendek Industry Sdn Bhd ('Kendek Industry'), and not the plaintiff, Kendek Products Sdn Bhd. The plaintiff alleges that Kendek Industry later validly assigned Patent 342 to it. Despite the plaintiff now being registered in the register as the owner of Patent 342, the defendant contends that the assignment was invalid and that, consequently, Kendek Industry ought to remain as the registered owner of Patent 342, and therefore the only party having locus standi to bring infringement proceedings against it.

[7] The issue is therefore this:

> Whether the assignment of Patent 342 from Kendek Industry to the plaintiff was valid so as to confer on the plaintiff locus standi to bring these patent infringement proceedings against the defendant.

[8] This issue first calls for an examination of the alleged assignment of Patent 342 from Kendek Industry to the plaintiff.

[9] Section 39 of the Act provides:

(1) A patent application or a patent may be assigned or transmitted.

(2) Any person becoming entitled by assignment or transmission to a patent application or patent may apply to the Registrar in the prescribed manner to have such assignment or transmission recorded in the Register.

(3) No such assignment or transmission shall be recorded in the Register unless:

(a) the prescribed fee has been paid to the Registrar;

(b) in the case of an assignment, it is in writing signed by or on behalf of the contracting parties.

[10] Regulation 34 of the Patent Regulations 1986 ('the Regulations') provides that:

(1) Any application under s 39(2) of the Act to record in the Register an assignment or transmission of a patent application or a patent shall be made to the Registrar on Form 6 together with payment of the prescribed fee.

(2) The application shall be signed, in the case of an assignment, by or on behalf of the parties to the transfer and, in the case of a transmission, by or on behalf of the person entitled to the patent application or patent.

(3) The application shall be accompanied by documents proving to the satisfaction of the Registrar the change of ownership.

(4) When sub-regulations (1) to (3) have been complied with, the Registrar shall record the assignment or transmission in the Register.

(5) Where a change in ownership related to a patent, a reference shall also be published in the Gazette.

[11] The plaintiff adduced the following documents to support its contention that Kendek Industry had validly assigned Patent 342 to it under these provisions:

(a) a deed of assignment dated 5 May 2017 ('deed of assignment') between Kendek Industry and the plaintiff in which Kendek Industry expresses its agreement to assign three of its patents to the plaintiff, one of which is Patent 342;

(b) patent Form No 6, being an application for recording of assignment or transmission ('Form 6');

(c) a letter dated 15 May 2017 from their patent agent, KASS International Sdn Bhd ('KASS'), to the Intellectual Property Corp of Malaysia ('MyIPO') enclosing the deed of assignment, the Form 6 and the fee of RM660 for filing;

(d) evidence of payment of that sum of RM660 by KASS to MylPO on 15 May 2017;

(e) a recordal of assignment dated 7 June 2017 issued by the registrar of patents ('recordal of assignment'); and

(f) an online search of Patent 342 conducted on 21 July 2022 ('online search') which identifies Kendek Industry as 'applicant' and the plaintiff as 'owner'.

[12] The defendant's sole objection to the assignment is that, contrary to reg 34(2) of the Regulations, Form 6 was not actually signed by Kendek Industry as required by reg 34(2). It further relies on the case of *Kendek Industry Sdn Bhd v Ecotherm (TFT) Sdn Bhd* [2010] MLJU 333; [2010] 10 CLJ 219 in which Azahar Mohamed J (as he then was) said:

> Non-compliance with the regulations of the Regulations is a ground for invalidation of the utility innovation, pursuant to s 56(2)(b) of the Act.
>
> That provision says that the court shall invalidate any registered UI if the description or the claim does not comply with the requirements of s 23, which section provides that the grant of the UI must comply with the Regulations.

[13] In my view, the assignment of Patent 342 from Kendek Industry to the plaintiff was valid.

[14] Firstly, I find that the deed of assignment (which is signed by both Kendek Industry and the plaintiff), is sufficient proof that Kendek Industry had intended to assign Patent 342 to the plaintiff and that the plaintiff had intended to accept that assignment. They were associated companies, which was immediately obvious from their first names. They had and continue until now to have common shareholders, common directors, and conduct substantially the same nature of business, namely 'manufacturing component parts, machinery and equipment and provision for turnkey engineering and production solution for the dipped latex products industry'. Further, one of the co-inventors of the product under Patent 342, Lai Chee Fong ('PW2'), is a director and shareholder of both companies. That he testified to that for the plaintiff at the trial cements that intention.

[15] Secondly, the Form 6 that KASS submitted to MylPO is substantially in the same Form 6 as prescribed by the Regulations.

[16] Thirdly, the recordal of assignment and the online search are evidence that the Registrar had accepted the Form 6 and the assignment of the patent from Kendek Industry to the plaintiff. By registering that change and registering the plaintiff as owner of Patent 342, by regs 34(3) and (4) of the

Regulations, the Registrar was obviously satisfied of the assignment and of the change of ownership from Kendek Industry to the plaintiff.

[17] Fourthly, both Kendek Industry and the plaintiff were represented by KASS, who had signed the Form 6. Consequently, I find that the absence of a counter-signature by Kendek Industry alone does not invalidate the Form 6 or assignment of Patent 342 from Kendek Industry to the plaintiff.

[18] As for *Kendek Industry Sdn Bhd v Ecotherm (TFT) Sdn Bhd* [2010] MLJU 333 which the defendant relies on, that case was decided on an entirely different footing. It involved a plaintiff's claim for infringement of its utility innovation and the defendant's counterclaim to invalidate the utility innovation. One of the defendant's grounds for invalidation was that the application to register the utility innovation did not comply with regs 13(1) of the Regulations which provided:

> The claims shall be clear and concise and fully supported by the description; and the number of claims shall be reasonable taking into account the nature of the invention.

[19] Section 23 of the Act provides that every application for a grant of a patent shall comply with the regulations, and s 56 of the Act provides that the court shall invalidate the patent if the person requesting the invalidation proves that the description of the claim does not comply with the requirements of s 23. By s 17A of the Act, those provisions of the Act would similarly apply to utility innovations.

[20] That statement by Azahar Mohamed J (as he then was) that the defendant refers to and relies on was therefore in the context of non-compliance with the Regulations with respect to the statutory requirement that every application for a grant of a patent/utility innovation must comply with the Regulations.

[21] In his judgment, Azahar Mohamed J (as he then was) also provided the rational for why every application for a grant of a patent/utility innovation must rigidly comply with the Regulations. These include:

(a) to enable third parties to see, from the claim, the extent of the monopoly granted so that they can reasonably certain that any activities they are contemplating do not fall foul of the Act or of the patent utility innovation; and

(b) to enable others to make use of and benefit from the product of the patent or utility innovation after the expiration of the monopoly period enjoyed by the owner.

[22] In my view, those reasons would not necessarily apply to the assignment of a patent from the owner to another. An assignment of a patent from one party to another in reality concerns just those two parties, and the administrative act of the registrar to accord with their wishes. That is quite distinct from the unilateral registration of a patent which intends to bind the world and which comes and is subject to under much tighter scrutiny. Thus, in my view, the defendant's arguments that there must be stringent compliance with the Regulations for the assignment of a patent equal to that for applying for and registering a patent fails.

[23] For these reasons, I found the assignment of Patent 342 from Kendek Industry to the plaintiff to be valid, and that the defendant failed to discharge the burden cast on it of establishing otherwise.

[24] Having made that finding that there was a valid assignment of Patent 342 from Kendek Industry to the plaintiff, I further find that, by virtue of the assignment, the plaintiff did have the necessary locus standi to bring this patent infringement proceedings against the defendant. In this regard, I would refer to s 4(3) of the Civil Law Act 1956 which provides:

> Any absolute assignment, by writing, under the hand of the assignor, not purporting to be by way of charge only, of any debt or other legal chose in action, of which express notice in writing has been given to the debtor, trustee or other person from whom the assignor would have been entitled to receive or claim the debt or chose in action, shall be, and be deemed to have been, effectual in law, subject to all equities which would have been entitled to priority over the right of the assignee under the law as it existed in the State before the date of the coming into force of this Act, to pass and transfer the legal right to the debt or chose in action, from the date of the notice, and all legal and other remedies for the same, and the power to give a good discharge for the same, without the concurrence of the assignor.

Conclusion

[25] In conclusion, the assignment of Patent 342 from Kendek Industry to the plaintiff was valid to confer the plaintiff with the requisite locus standi to bring these patent infringement proceedings against the defendant.

D. INVALIDATION: NOVELTY

[26] Sections 14(1) and 14(2)(a) of the Act, entitled 'Novelty', provide:

> (1) An invention is new if it is not anticipated by prior art.
>
> (2) Prior art shall consist of —
>
> (a) everything disclosed to the public, anywhere in the world, by written publication, by oral disclosure, by use or in any other way, prior to the priority date of the patent application claiming the invention.

[27] Under s 27A of the Act, the priority date of a patent is the date the application for it was filed. In this case, the priority date for Patent 324 is 7 April 2005

[28] The defendant's case is that Patent 324 is not novel because it was anticipated by prior art, in the form of drawings of holder sets ('KLE holder sets') by Keng Lek Engineering Sdn Bhd ('KLE Engineering') and KLE Product Sdn Bhd ('KLE Product').

[29] The plaintiff's riposte to that is two-fold. Firstly, that any such drawings of KLE holder sets do not constitute prior art. Secondly, the fall-back position is that, even if they are, those drawings are actually the product of a joint venture involving Kendek Industry, KLE Engineering and KLE Product. Consequently, those drawings and the products ensuing from those drawings are protected by and subject to the laws of confidentiality to the extent that they could not have been considered as being disclosed to the public.

[30] These conflicting allegations call for the determination of two sub-issues, namely:

(a) whether those drawings and products constitute prior art; and

(b) if so, whether they are protected by and subject to the laws of confidentiality to the extent that they could not have been as disclosed to the public.

Whether they are prior art

[31] It is trite law that he who alleges must prove. Thus, the burden is on the defendant to prove that the drawings of KLE holder sets are prior art within the meaning of s 14(2)(a) of the Act.

[32] Through Chen Wee Onn ('DW2'), the defendant had adduced numerous evidence, consisting of, inter alia, sample work sheet documents and engineering drawings of the KLE holder sets and related parts alleged to have been made circa January 2002 to February 2004. On each of them are the names of third parties like 'Glovindo', 'PT Shamrock', 'PT Haloni Jane', 'PT Maja Agung', 'PT Maja Agung LatexIndo', 'FWK', 'Arista', 'Flexitex' and 'Flexitech'.

[33] Through DW2, the defendant had also adduced trading documents like invoices, delivery orders, proforma invoices and official receipts. These were, however, for the years 2014–2018. However, no actual physical KLE holder sets from the drawings were adduced.

[34] I find that, even if the subject matter of the sample work sheet documents and engineering drawings the defendant adduced did exhibit the features of the claims to Patent 342, the defendant's failure to adduce a single trading document like invoices, delivery orders, proforma invoices and official receipts prior to the priority date of 7 April 2005 shows that there was no disclosure to the public for it to constitute prior art. If the defendant was able to adduce documents and engineering drawings made between January 2002 to February 2004, then surely it would have been able to adduce actual trading documents for those years to substantiate disclosure to the public. Instead, it adduced only trading documents for years 2014–2018.

[35] Further, despite apparently knowing the identities of the third party buyers who had allegedly dealt with KLE Engineering and KLE Product, the defendant did not call on any of them. If KLE Engineering and KLE Product had indeed conducted trade of the products in the drawings with any of those third parties, then surely evidence from them of actual trade substantiated by trading documents from them for those years would have been available. It would surely have been easy to do so. Their absence and the defendant's failure to provide any cogent and acceptable explanation for their absence simply fortifies my finding that there was no disclosure to the public within the meaning of s 14(2)(a) of the Act.

Whether the drawings are subject to the laws of confidentiality

[36] In paras [59] and [64] of the Federal Court's judgment in *YKL Engineering Sdn Bhd v Sungei Kahang Palm Oil Sdn Bhd & Anor* [2022] 6 MLJ 1; [2022] 8 CLJ 32, Azahar Mohamed CJ (Malaya) said:

> With regard to what amounts to a 'disclosure to the public' where information (whether in documentary form or in the form of the invention itself) has been communicated or made available to at least one member of the public who is free in law and equity to use it, (and that disclosure is an enabling disclosure) that information has been disclosed to the public and forms the prior art. There is no need to prove that anybody saw the prior art, provided that the relevant disclosure was in public. *Where such information is communicated under the obligation of confidence, it follows that the recipient will not be free in law or equity to use it. Disclosure under such circumstances will not amount to disclosure to the public*.

And:

> Still, we will deal with some of the issues raised by the parties as they involved important matter relating to patent law. First, what then constitutes 'disclosed to the public'? It is established principles that where information (whether in documentary form or in the form of the invention itself) has been communicated or made available to at least one member of the public, who is free in law and equity to use it, that information has been disclosed to the public and forms the prior art.

However, where such information is communicated under obligation of confidence, it follows that the recipient will not be free in law or equity to use it. Disclosure under such circumstances will not amount to disclosure to the public (see *Bristol-Meyer Co's Application* [1969] RPC 146, *PLG Research Ltd v Ardon International Ltd* [1993] FSR 197, *Quantel Ltd v Spaceward Microsystems Ltd* [1990] RPC 83 Ch D). (Emphasis added.)

[37] The plaintiff contends that the obligation of confidence here has arisen by virtue of a joint venture that it entered into between the plaintiff and Keng Lek and KLE. The plaintiff's narrative can be summarised as follows:

(a) Kendek Industry had been importing parts and components for dipped latex production line from Taiwan since 1990 in order to supply the same to manufacturers of dipped latex products in Malaysia, Thailand and Indonesia;

(b) in the mid-1990s, Lai Chee Fong ('PW2') met Chen Wee Min, a director of both KLE Engineering and KLE Product, through a mutual friend. At the time, Keng Lek Engineering was a manufacturer of electrical parts, mail boxes and cash boxes, but had never been involved in the dipped latex production industry;

(c) following discussions between the two companies, on or around 21 October 1997, Kendek Industry and KLE Engineering had entered into a joint venture to be conducted through a company called KD Industries Sdn Bhd, principally to manufacture parts and components for the dipped latex production line. By that joint-venture, Kendek Industry would be able to play a role in the manufacturing process and position itself to the customers as a manufacturer rather than just a trading company, and Keng Lek would benefit from the customer base and consistent orders from Kendek Industry;

(d) Kendek Industry was in charge of giving the input and specifications for the parts and components of the dipped latex production line to Keng Lek, specifically to Chen Wee Min as a director of KD Industries and as the controlling mind and representative of KLE Engineering and KLE Product;

(e) Keng Lek would then produce the initial prototype and/or design of the holder sets based in Kendek Industry's initial input, and then moulds for the parts based on Kendek Industry's further input and specifications. The moulds would then be supplied to KD Industries to manufacture the parts with the moulds;

(f) Kendek Industry would then take the parts and assemble them into the final products to be supplied to the end customers;

(g) the sample work sheet documents and engineering drawings of the KLE holder sets and related parts alleged to have been made circa January 2002 to February 2004 were the product of that joint-venture; and

(h) KD Industries was eventually dissolved on 19 January 2006.

[38] The plaintiff therefore contends that the drawings of the KLE holder sets and any acts done by Chen Wee Min and/or KLE Engineering and/or KLE Product with them were pursuant to the joint venture and/or instructions of Kendek Industry under the joint venture. Consequently, any works made and/or done were subject to and protected by confidentiality and pursuant to the fiduciary relationship between the parties under that joint-venture.

[39] In *Newacres Sdn Bhd v Sri Alam Sdn Bhd* [1991] 3 MLJ 474, the Supreme Court agreed that a joint-venture incorporated a fiduciary relationship between the parties. Jemuri Sarjan CJ (Borneo) said (at p 479):

> The judges here were talking about fiduciary relations between the parties. In the case of *James Birtchnell & Anor v The Equity Trustees, Executors and Agency Co Ltd & Anor* (1928-30) 42 CLR 384 Dixon J at p 407 explains the fiduciary relationship between partners and how the relationship is to be determined. This is what he says:
>
> > The relationship between partners is, of course, fiduciary. Indeed, it has been said that a stronger case of fiduciary relationship cannot be conceived than that which exists between partners. 'Their mutual confidence is the lifeblood of the concern. It is because they trust one another that they are partners in the first instance; it is because they continue to trust one another that the business goes on' (per Bacon VC in *Helmore v Smith* (1890) 15 App Cas 223 at p 225 (1886) 35 Ch D 436 at p 444). The relation is based, in some degree, upon a mutual confidence that the partners will engage in some particular kind of activity or transaction for the joint advantage only. In some degree it arises from the very fact that they are associated for such a common end and are agents for one another in its accomplishment.
> >
> > Lord Blackburn found in this consideration alone sufficient reason for the fiduciary character of the partnership relation (*Cassels v Stewart* (1881) 6 App Cas at p 79). The subject matter over which the fiduciary obligations extend is determined by the character of the venture of undertaking for which the partnership exists, and this is to be ascertained, not merely from the express agreement of the parties, whether embodied in written instruments or not, but also from the course of dealing actually pursued by the firm. Once the subject matter of the mutual confidence is so determined, it ought not be difficult to apply the clear and inflexible doctrines which determine the accountability of fiduciaries for gains obtained in dealings with third parties.
>
> That passage was approved by Lord Wilberforce in the case of *New Zealand Netherlands Society Oranje Incorporated v Kuys & Anor* [1973] 2 All ER 1222 at p 1226. Lord Wilberforce says, after quoting the relevant passage of Dixon J's judgment:

A This was said in the context of a partnership but the principle must be of general application.

We would, with respect, accept this proposition which goes to show that if the agreement of 2 October 1980 [1991] 3 MLJ 474 at 480 entered into by the litigating parties is indeed a joint venture agreement then their relationship is a B fiduciary one.

[40] To support its contentions on the joint-venture, the plaintiff adduced numerous documents, including:

C (a) a search on Kendek Industry with an incorporation date of 25 July 1990 with a stated nature of business of 'manufacturing component parts, machinery and equipment and provision for turnkey engineering and production solution for the dipped latex products industry and D providing subcontract services';

(b) a search on Keng Lek Engineering Sdn Bhd with an incorporation date of 25 April 1985 with a stated nature of business of 'manufacturer of electronic parts, pail boxes, cash boxes, etc';

E (c) a search on KD Industries Sdn Bhd with an incorporation date of 21 October 1997 and a 'dissolved' status, which had been 50% owned by Kendek Industry and 50% owned by Keng Lek Engineering Sdn Bhd, and with its directors being Lai Chee Fong and Chee Wee Min;

F (d) a search on KLE Products with an incorporation date of 11 January 2002 with a stated nature of business was 'manufacturing of conveyor chains system and parts';

(e) the memorandum and articles of association of KD Industries of 21 October 1997 which states, inter alia, that the first directors and of G KD Industries were Lai Chee Fong and Chee Wee Min, and that they were corporate representatives of Kendek Industry and Keng Lek;

(f) reports and accounts of KD Industries for the period of 21 October 1997–31 December 2000; and

H (g) invoices and other trade documents between KD Industries and Keng Lek Engineering.

[41] Based on the documentary evidence and testimony of the witnesses at trial, I find that, on the balance of probabilities, there was a joint venture I involving Kendek Industry, KLE Engineering and KLE Product to manufacture parts and components for the dipped latex production line.

[42] Based on the documentary evidence and testimony of the witnesses at trial, I further find that the sample work sheet documents and engineering

drawings of the KLE holder sets and related parts alleged to have been made circa January 2002 to February 2004 were the product of that joint-venture.

[43] Two further issues raised by the defendant ought to be dealt with before I move on to the defendant's allegation that Patent 342 ought to be invalidated for lack of an inventive set.

[44] The first is the defendant's contention that the plaintiff ought to have brought in KLE Engineering and KLE Product as parties to this action and its failure to do so is fatal. The second is the defendant's contention that the plaintiff's allegations about a joint venture and confidentiality ought to be rejected as it failed to specify what confidential information had been communicated to KLE Engineering and KLE Product. For the first contention, the defendant relies on *China Road & Bridge Corp & Anor v DCX Technologies Sdn Bhd and another appeal* [2014] 5 MLJ 1; [2014] 7 CLJ 644, and for the is latter, the defendant relies on *Vision Cast Sdn Bhd & Anor v Dynacast (Melaka) Sdn Bhd & Ors* [2015] 1 MLJ 424; [2014] 8 CLJ 884. I rejected both contentions.

[45] For the first, there was no reason for the plaintiff to have brought in KLE Engineering and KLE Product as parties to this action. This action is really only about two issues: whether the defendant infringed Patent 342 and whether Patent 342 should be invalidated. Those issues are strictly between the plaintiff and the defendant.

[46] Under O 15 r 6(b) of the Rules of Court 2012, a non-party would apply to intervene into or be added as a party to an action if:

(a) its presence was necessary to ensure that all matters in dispute in the cause or matter may be effectually and completely determined and adjudicated upon; or

(b) between it and a party to the cause or matter there existed a question or issue arising out of or connected to any relief or remedy claimed in the cause or matter which may be just and convenient to be determined between it and that party.

[47] Neither KLE Engineering nor KLE Product need to be present to answer those two issues, nor is any question or issue involving them arising out of or connected to any relief, for either patent infringement or patent invalidation.

[48] As for *China Road & Bridge Corporation* that the defendant relies on, the extract from that case that the defendant quoted in its written submissions clearly shows that the context is the failure of the plaintiff to serve the writ on

A the third and fourth defendants and yet the plaintiff still tried to prove its case against them in their absence.

[49] For the second, *Vision Cast* that the defendant relies on clearly shows that the need to specifically plead the confidential information that had been B communicated was in the context of an action by a plaintiff against a defendant for breach of confidence, breach of confidentiality and/or breach of fiduciary duty by the defendant in communicating the plaintiff's confidential information to a third party. In such an action the law does require the plaintiff to expressly plead the confidential information that the defendant is alleged to C have communicated to the third party so that the defendant knows what case it has to meet. That scenario does not exist in this action.

Conclusion

D **[50]** I accordingly find that the sample work sheet documents and engineering drawings of the Keng Lek holder sets and related parts alleged to have been made circa January 2002 to February 2004 and any product arising therefrom are not prior art, as they are the direct product of information communicated under the obligation of confidence under the joint-venture. As E such, any disclosure to any of the third parties under such circumstances does not amount to disclosure to the public under s 14(2)(a) of the Act.

E. INVALIDITY: ALLEGED LACK OF INVENTIVE STEP

F **[51]** The sole issue to be decided is whether Patent 342 is invalid on the ground of lack of inventive step.

[52] Section 11 of the Act provides that an invention is patentable if it is new, involves an inventive step and is industrially applicable.

G

[53] Section 15 of the Act provides:

> An invention shall be considered as involving an inventive step if, having regard to any matter which forms part of the prior art under paragraph (a) of subsection (2) of section 14, such inventive step would not have been obvious to a person having H ordinary skill in the art.

[54] As mentioned earlier, s 14(2)(a) of the Act (that s 15 of the Act refers to) provides:

I

> Prior art shall consist of everything disclosed to the public, anywhere in the world, by written publication, by oral disclosure, by use or in any other way, prior to the priority date of the patent application claiming the invention.

The claims and the purposive approach

[55] Whether an invention is novel or possesses inventive steps is to be determined by reference to the patent's claims. In *SKB Shutters Manufacturing Sdn Bhd v Seng Kong Shutter Industries Sdn Bhd & Anor* [2015] 6 MLJ 293, Zulkefli CJ said:

> The law is clear that when an invention, which is the subject of a patent claim lacks novelty or inventive step, one would look at the language of the claims, which defined the scope and monopoly claimed. Thus, it was ultimately the claims which had to be looked at and considered.

[56] Further, in construing the claims in a patent, the purposive construction of them is applied to determine infringement or invalidity of a patent.

[57] In *Catnic Components Ltd & Anor v Hill & Smith Ltd* [1982] RPC 183, Lord Diplock said:

> A patent specification should be given a purposive construction rather than a purely literal one derived from applying to it the kind of meticulous verbal analysis in which lawyers are too often tempted by their training to indulge. The question in each case is: whether persons with practical knowledge and experience of the kind of work in which the invention was intended to be used, would understand that strict compliance with a particular descriptive word or phrase appearing in a claim was intended by the patentee to be an essential requirement of the invention so that any variant would fall outside the monopoly claimed, even though it could have no material effect upon the way the invention worked.

[58] The need to give the claims a purposive construction was approved of in *Spind Malaysia*. Raus Sharif CJ said:

> A purposive construction is to be adopted to give effect to what the person skilled in the art would have understood the patentee to be claiming (*Catnic Components Ltd and Another v Hill and Smith Ltd* [1982] RPC 183 at pp 235–236). The threshold question is: what would the person skilled in the art have understood the patentee to be using the language of the claim to mean?

[59] In *Merck Sharp & Dohme Corp & Anor v Hovid Bhd* [2019] 4 MLJ 121, Abang Iskandar JCA (now PCA) said:

> It may be opportune for us to dwell a bit on the concept of 'inventive step' within the ambit and purview of the protection of a patent regime.
>
> In essence, inventive step seeks to distinguish if an invention is a new invention or whether it is just an obvious improvement to an already existing invention. Its utility lies in the fact that it goes a long way in ensuring that patents are not accorded to existing inventions. It is not inventive step if it is obvious to a person skilled in the art, having regard to any matter which forms part of the prior art base.

[60] In the English Court of Appeal case of *Windsurfing International Inc v Tabur Marine (Great Britain) Ltd* [1985] RPC 59, Oliver LJ laid down a four-step process for assessing obviousness. That four-step process is commonly referred to as 'Windsurfing test'.

[61] In *Spind Malaysia,* the Federal Court reformulated the *Windsurfing* test to suit the Malaysian context ('Malaysian *Windsurfing* test'), as follows:

(1) identify the inventive concept embodied in the patent;

(2) assume the mantle of the person having ordinary skill in the art, and impute to him the common general knowledge at that date;

(3) identify the differences between the prior art and the alleged invention; and

(4) determine whether, viewed without any knowledge of the alleged invention as claimed, those differences constitute steps which would have been obvious to the person ordinarily skilled in the art.

[62] Raus Sharif CJ, in delivering the judgment of the Federal Court in *Spind Malaysia*, also said:

> We find merit in the *Windsurfing* test as a good starting point for analysing the issue of inventive step. The structured test offers a useful framework for considering the various factors involved in the assessment, and provides some clarity of reasoning and consistency of approach. That said, we agree with the caution noted in *First Currency Choice* against over-elaborating the statutory requirement. While the four-step test will be a helpful guide in most cases, the individual steps should not be taken as set in stone and mechanically applied, especially where the evaluation of a straightforward factual scenario may be derailed by ancillary debates on niceties. The court must always bear in mind that the ultimate question, expressed in s 15 of the Patents Act 1983 and contained in the fourth and final step, is simply whether the invention is obvious to a person having ordinary skill in the art, having regard to the prior art.

[63] Ultimately, an invention shall be considered as involving an inventive step if it is not obvious to a person having ordinary skill in the art, aka a POSITA. If an invention is obvious to a POSITA, then it does not involve an inventive step, lacks inventiveness and cannot qualify for patent protection.

Step 1: Identifying the inventive concept

[64] In *Spind,* the Federal Court provided some principles and guidelines for identifying the inventive concept. They include:

(a) it is the inventive concept that the patentee has put forward as underpinning his monopoly;

(b) the inventive concept of a patent must necessarily be identified by reference to its claims, as the scope of the monopoly granted by a patent is defined by its claims. The inventive concept is to be distilled from the claims, not generally from the patent specification as a whole;

(c) under s 26 of the Patents Act 1983, each patent application may contain only one inventive concept;

(d) while the inventive concept of an invention must be derived from the claims, it is not to be equated with everything stated in the claims;

(e) technical advantages of an invention which the patentee aimed to achieve, but are not included in the scope of the claims, do not constitute an inventive concept; and

(f) there is no rigid rule to state at what level of abstraction, or how broadly or narrowly, the inventive concept of an invention is to be identified.

[65] As he parties respective experts, PW2 and DW1 had given their expert opinions on the issue of invalidation of the patents, it is thus on their expert opinions that the court would refer to on this issue. However, before doing so, regard will also be had to the evidence of Lai Chee Fong ('PW2'), the inventor of the product, on deciding the inventive step.

[66] PW2 testified that the invention was precipitated by the problems faced with the previous holder, which included the following:

(a) previously, it took a long time to install and secure a former onto a holder and, if the formers were not secured firmly enough to the holder, then some formers would wobble and eventually fall off the conveyor chain;

(b) after going through frequent temperature changes during the dipping process, the spring on the holder would often lose its tension over time. The locking plate would then rotate easily and would unlock itself from the former and the former would fall off the holder, often leading to damage to the formers;

(c) these resulted in production inefficiency, a high number of rejected or low-grade products, and the production of rubber gloves; and

(d) the product of Patent 342 was designed to overcome these shortcomings. The inventive aspect is that it relates to an improvement of the rotatable shaft in a holder connecting a coupling unit to a conveyor chain and a roller body that accommodates a former.

[67] The plaintiff contends that the inventive concept of Patent 342 is to provide a former holder with a D-shaped shaft and D-shaped locking plate

aperture, as this will ensure precise orientation (with the locking plate at right angles to the former mouth opening) and also allows the former guides to be shorter, hence making it easier and faster to change the former, as compared to any of the prior art.

[68] I accept this to be the inventive concept of Patent 342.

Step 2: The person having ordinary skill in the art, and imputing to him the common general knowledge

[69] A person having ordinary skill in the art is commonly referred to by the acronym 'POSITA', and common general knowledge by the acronym 'CGK'.

[70] In para [79] of the judgment in *Spind*, Raus Sharif said:

> Step 2 requires the court to assume the mantle of the notional person having ordinary skill in the art, akin to the concept of a hypothetical skilled but unimaginative addressee in the UK. The attributes of such a person are settled: he 'must be assumed to be of standard competence at his work without being an imaginative or inventive turn of mind' (*General Tire* at p 502). The person is characterised by Lord Reid in *Technograph Printed Circuits Limited v Mills & Rockley Electronics) Limited* [1972] RPC 346 at p 355 in the following terms:
>
> > To whom must the invention be obvious? It is not disputed that the hypothetical addressee is a skilled technician who is well acquainted with workshop technique and who has carefully read the relevant literature. He is supposed to have an unlimited capacity to assimilate the contents of, it may be, scores of specifications but to be incapable of a scintilla of invention.

[71] The parties' experts concur that a person having ordinary skill in the art would be an engineer or technician who is familiar with the dipped latex manufacturing process and the design of equipment for performing the process, as far as the mounting and conveying of the formers is concerned. Having perused the statements by both experts as to their respective background and experience, I find that both of them are POSITAs for the purpose of ascertaining whether Patent 342 involves an inventive step.

[72] In respect of CGK, in *The General Tire & Rubber Company v The Firestone Tyre and Rubber Company Limited and Others* [1972] RPC 457, Sachs LJ said:

> The common general knowledge imputed to such an addressee must, of course, be carefully distinguished from what in patent law is regarded as public knowledge. This distinction is well explained in Halsbury's Laws of England, Vol 29, para 63.
>
> As regards patent specifications it is the somewhat artificial (see per Lord Reid in the *Technograph* case [1971] FSR 188 at 193) concept of patent law that each and every

> specification, of the last 50 years, however unlikely to be looked at and in whatever language written, is part of the relevant public knowledge if it is resting anywhere in the shelves of the Patent Office. On the other hand, common general knowledge is a different concept derived from a common sense approach to the practical question of what would in fact be known to an appropriately skilled addressee — the sort of man, good at his job, that could be found in real life.

[73] As for CGK, I find that, as at the priority date, the common general knowledge at the priority date was for a former holder to have a round-shaped shaft and a round-shaped locking plate aperture.

Step 3: Differences

[74] The prior art utilises a round shaft with the locking plate fixed at the end thereof, and has to be rotated to locate between the upstanding portions defining the former guide. As the rotation may not be at 90 degrees to the opening of the former, it is more difficult to remove the former when required, as the locking plate may not be at the expected 90 degree angle. This is because there is some interchangeability in the angle of the locking plate and the former guides where the locking plate may be fitted and/or rotatable up to 60 degrees in either direction (clockwise or anticlockwise) from the intended location. The spring that is meant to hold the locking plate in the desired position may also slip over time due to the vibration that invariably exists in the manufacturing process.

[75] On the other hand, Patent 342 involves a reconfiguring of the former set to use a D-shaped shaft and matching D-shape locking plate aperture to try and narrow the potential angular movement of the locking plate in the prior art, and thus making the removal of the former exceedingly easier.

Step 4: Obviousness

[76] The plaintiff contends that, while a POSITA may find it obvious to consider alternative former guide shapes to try and narrow the potential angular movement of the locking plate that is present in the prior art, reconfiguring the former set to use a D-shaped shaft and matching D-shape locking plate aperture would not be obvious as there is no suggestion of using D-shapes for orientating formers in any of the prior art.

[77] I agree with the plaintiff's contentions, and find that Patent 342 does involve an inventive step.

F. INVALIDITY: ALLEGED LACK OF COMPLIANCE WITH ACT AND REGULATIONS

[78] Section 56(2)(a) and (b) of the Act provides:

> (2) The Court shall invalidate the patent if the person requesting the invalidation proves:
>
> (a) that what is claimed as an invention in the patent is not an invention within the meaning of section 12 or is excluded from protection under section 13 or subsection (1) of section 31 or is not patentable because it does not comply with the requirements of sections 11, 14, 15 and 16;
>
> (b) that the description or the claim does not comply with the requirements of section 23.

[79] Section 23 of the Act provides:

> Every application for the grant of a patent shall comply with the regulations as may be prescribed by the Minister under this Act.

[80] As mentioned earlier in this judgment, in *Kendek Industry Sdn Bhd v Ecotherm (TFT)*, Azahar Mohamed J (as he then was) said:

> Non-compliance with the regulations of the Regulations is a ground for invalidation of the utility innovation, pursuant to s 56(2)(b) of the Act. That provision says that the court shall invalidate any registered UI if the description or the claim does not comply with the requirements of s 23, which section provides that the grant of the UI must comply with the Regulations.

[81] The defendant contends that Patent 342 should be invalidated because it does not comply with three Regulations, namely:

(a) reg 13(1);

(b) reg 12(c); and

(c) reg 13(6),

I will deal with each in turn.

Regulation 13(1)

[82] Regulation 13(1) of the Regulations provides:

> The claims shall be clear and concise and fully supported by the description ...

[83] The defendant's contentions on reg 13(1) may be summarised as follows:

(a) the problem sought to be addressed by the invention under Patent 342 is to lock the orientation of the former guide in relation to the locking plate, so that the angle through which a former must be rotated to remove and install the former is fixed and predictable;

(b) the solution introduced by the invention under Patent 342 is to adopt a D-shaped shaft, a roller body having a D-shaped aperture matching that of the shaft, and a D-shaped aperture in the locking plate. This allows for the roller body (and with it the former guide) and the locking plate to be rotationally locked with the shaft so that these two components always rotate in unison with a fixed angle between them;

(c) however, even though when the invention described in Patent 342 requires all three components to have a D-shaped feature, in the claims only two of them are expressed to have D-shaped features; and

(d) consequently, the claims are not clear and concise.

[84] The plaintiff's response to this objection is that, applying the purpose construction, a POSITA:

(a) would understand that the shaft goes through an aperture in the roller body, as that is how the prior art works;

(b) would know from logic that the shape of the aperture would have to match the shape of the shaft for the holder set to work as intended;

(c) would also understand that the locking means is mounted to the shaft because Claim 1 does indicate that the shaft is secured to the roller body and has a matching D-shape; and

(d) would understand that the respective D-shapes of the shaft and locking means aperture ensure that their relative angular alignments are fixed, and that it is not necessary to specify that the locking means is flat or that it has to be.

[85] I agree with the plaintiff's arguments above. Adopting a purposive construction of the claims in Patent 342, I find that the claims are clear and concise, and are fully supported by the description.

Regulation 12(1)(c)

[86] Regulation 12(1)(c) of the Regulations, regarding 'Description' provides:

> (1) The description shall first state the title of the invention as appearing in the request and shall —
>
> (c) disclose the invention in such terms that it can be understood and in a

A manner sufficiently clear and complete for the invention to be evaluated and to be carried out by a person having ordinary skill in the art, and state any advantageous effects of the invention with reference to the background art.

B **[87]** The defendant's contentions on reg 13(1) may be summarised as follows:

(a) according to Claim 7 of Patent 342, 'the locking means (30) is displaceable along the common axis of the shaft by a biasing means';

C (b) in the admitted prior art, the locking plate is welded to the end of the shaft, yet the patent still describes the locking plate as 'displaceable'. In applying a purposive construction, the word 'displaceable' should be understood as referring to the relative movement between the locking plate and the roller body through which the former is clamped under the D action of the spring and released when the roller body is pushed inwardly against the force of the spring;

(c) however, the defendant's expert ('DW1') opined that that the locking plate was axially fixed on the shaft and functionally similar to the E admitted prior art. In the invention, the shaft has a D-shaped cross-section portion and a threaded portion with the locking plate secured by a nut at the junction of these two portions of the shaft;

(d) however, the description of Patent 342 describes the D-shaped aperture of the locking plate as 'identical' to the D-shaped cross-section of the F shaft portion, thereby implying that the locking plate would indeed be displaceable along that shaft portion. That would be technically unviable. The prior KLE holder sets show clearly that the locking plate is located on a ledge of reduced diameter at the junction of the two shaft portions, and the plaintiff's products as produced at trial had a similar G design; and

(e) consequently, the description in Patent 342 fails to disclose the invention sufficiently clearly and completely, in view of the lack of explanation as to how the locking plate is axially secured on the shaft.

H **[88]** The plaintiff's response to this objection is that a POSITA would have no difficulty in understanding that this feature can be construed as a locking plate which can be moved along the shaft by the force of the spring. In this regard, the plaintiff relied on the evidence of its expert witness ('PW1') in his I report, in which he said:

> It should nevertheless be appreciated that even if this was not the case, and the shaft had a ledge at the transition between threaded portion and D-shaped portion of the shaft, the locking plate would still be displaceable along the threaded portion of the shaft by the biasing means (via the roller body). As such the notional person skilled

in the art would have no difficulty in understanding that this feature can be construed as a locking plate which can be moved along the shaft by the force of the spring.

[89] Again, I agree with the plaintiff's stand. Adopting a purposive construction of the claims in Patent 342, I find that the claims are clear and concise, and are fully supported by the description.

Regulation 13(6)

[90] Regulation 13(6) of the Patents Regulations 1986 provides:

(6) Whenever appropriate, claims shall contain —

(a) a statement indicating those technical features of the invention which are necessary for the definition of the claimed subject-matter but which, in combination, are part of the prior art;

(b) a characterising portion, preceded by the words 'characterised in that', 'characterised by', 'wherein the improvement comprises', or any other words to the same effect stating concisely the technical features which, in combination with the features stated under paragraph (a), it is desired to protect.

[91] In a nutshell, the defendant contends that Patent 342 should be invalidated as it does not conform with the 'two-part' format under reg 13(6) of the Patents Regulation 1986.

[92] The plaintiff contends that, even if the claims in Patent 342 did not have those statements prescribed by reg 13(6) of the Patents Regulations 1986, it should not be invalidated. In summary, its contention is based on the following:

(a) as reg 13(6) expressly and specifically uses the term 'whenever appropriate', that 'two-part' format is not binding;

(b) the optional process of requesting for a modified substantive examination of the patent application enables allows it to obtain the grant of a Malaysian application by bringing it into conformity with a foreign granted patent of a foreign prescribed country, most of which do not use the 'two-part' format;

(c) the main purpose of the two-part format is to assist the examiner to understand the key features of the invention and to be able to identify the prior art more easily;

(d) the alleged 'requirements' under reg 13 are not mandatory requirements but are mere suggestions What matters is that a POSITA can comprehend and understand the claims as drafted; and

(e) the patent office did not raise any clarity objections, which indicates that Patent 342 met with the clarity requirement of patent reg 13(1).

[93] In respect of that last point of the patent office not raising any clarity objections, the defendant itself had submitted that MylPO's examination guidelines elaborate that the requirement for the claims to be clear necessitates that an independent claim must be comprehensible from a technical point of view and must also clearly indicate all the essential features of the invention. If the patent office did not raise any clarity objections, then it is clear that the patent office was of the view that Patent 342 did comply with the Regulations, including reg 13(1).

Conclusion

[94] In conclusion, I find that the defendant has failed to establish any of its grounds to invalidate Patent 342 and therefore dismissed the defendant's counterclaim to invalidate Patent 342, with costs.

G. INFRINGEMENT

[95] The sole issue to be decided under this Part G is whether the defendant has infringed Patent 342.

[96] In the defendant's submissions, the defendant has focused on its counterclaim to invalidate Patent 342, and its only submission was in para 68.0 as follows:

> By reason of the above circumstances, issues and authorities submitted above, it is submitted that since the plaintiff's Patent 342 is invalid, the issue of infringement does not arise.

[97] In its submissions in reply to the plaintiff's submissions, the defendant did not budge from that, saying in para 41.0:

> In summary, it is submitted that premised on the above, since the plaintiff's Patent 342 is invalid, the issue of infringement in not operative, and does not arise or even apply.

[98] Despite putting all of its eggs into the same 'invalidation basket' and this court already finding that Patent 3452 should not be invalidated, simply because the defendant effectively made no submissions on infringement, that

does not necessarily mean that the defendant's infringement of Patent 342 is to be assumed; the plaintiff still bears the burden of proving infringement by that the defendant.

The relevant provisions of the Act

[99] Section 58 of the Act specifies acts that are deemed to be infringement of a patent:

> Subject to subsection 37(1), (2) and (3) and section 38, an infringement of a patent shall consist of the performance of any act referred to in subsection 36(3) in Malaysia by a person other than the owner of the patent and without the agreement of the latter in relation to a product or a process falling within the scope of protection of the patent.

[100] Section 38 of the Act provides:

> (1) Subject and without prejudice to the other provisions of this Part, the owner of a patent shall have the following exclusive rights in relation to the patent:
>
> (a) to exploit the patented invention;
>
> (b) to assign or transmit the patent;
>
> (c) to conclude licence contracts; and
>
> (d) to deal with the patent as the subject of a security interest.
>
> (2) No person shall do any of the acts referred to in subsection (1) without the consent of the owner of the patent.
>
> (3)For the purposes of this Part, 'exploitation' of a patented invention means any of the following acts in relation to a patent:
>
> (a) when the patent granted in respec t of a product:
>
> (i) making, importing, offering for sale, selling or using the product;
>
> (ii) stocking such product for the purposes of offering for sale, selling or using;
>
> (b) when patent has been granted in respect of a process:
>
> (i) using the process;
>
> (ii) doing any acts referred to in paragraph (a), in respect of a product obrained directly by means of the process.
>
> (4) For the purposes of this section, if the patent has been granted in respect of a process for obtaining a product, the same product produced by a person other than the owner of the patent or his licensee shall, unless the contrary is proved, be taken in any proceedings to have been obtained by that process.

[101] At the trial, the defendant's products alleged to have infringed Patent 342 were adduced and marked as exhs P4 and P7. The defendant did not dispute that these were its product, and that it has been trading in them.

The essential integers test

[102] In *Rodi & Wienenberger AG v Henry Showell Ltd* [1969] RPC 367 Lord Upjohn said of the essential integers test as follows:

> To constitute infringement, the article must take each and every one of the essential integers of the claim. Non-essential integers may be omitted or replaced by mechanical equivalents.

[103] Therefore, by the essential integers test, the essential integers of the patented invention are identified, as are the essential integers of the alleged infringing product or method. If all of the essential integers in the patented invention are found in the alleged infringing product or method, then the alleged infringing product infringes the patented invention. Conversely if any one of the essential integers in the patented invention is not found in the alleged infringing product, then there is no infringement.

[104] In *Yeohata Machineries Sdn Bhd v Coil Master Sdn Bhd & Ors* [2015] 6 MLJ 810, the Court of Appeal adopted the essential integers test.

The improver test

[105] In *Kingtime International Ltd & Anor v Petrofac E&C Sdn Bhd* [2018] MLJU 1840, apart from the essential integers test, Wong Khian Kheong J (now JCA) applied the Actavis test, which had been applied by the Court of Appeal in *Cadware Sdn Bhd v Ronic Corp* [2013] 6 MLJ 19.

> If the issue was whether a feature embodied in an alleged infringement which fell outside the primary, literal or a contextual meaning of a descriptive word or phrase in the claim ('a variant') was nevertheless within its language as properly interpreted, the court should ask itself the following three questions:
>
> (a) does the variant have a material effect upon the way the invention works? If yes, the variant is outside the claim. If no —
>
> (b) would this (ie, that the variant had no material effect) have been obvious at the date of publication of the patent to a reader skilled in the art. If no, the variant is outside the claim. If yes —
>
> (c) would the reader skilled in the art nevertheless have understood from the language of the claim that the patentee intended that strict compliance with the primary meaning was an essential requirement of the invention. If yes, the variant is outside the claim.

[106] Patent 342 has eight claims in all. Claim 1 is an independent claim, and Claims 2 to 8 are dependent claims.

[107] Claim 1 of Patent 342 expressly provides as follows:

> A former holder used in dipped latex products manufacturing process comprising of a roller body (12) having a central recess portion (15); a shaft (20) secured to the roller body and; a means to hold a former characterised in that the means to hold the former includes:
>
> a former guide (14) positioned centrally on the recess portion (15);
>
> a shaft (20) with a D-shaped cross-section and wherein terminal end of the shaft includes a threaded portion (14);
>
> a locking means (3) with D-shaped aperture (32) centrally located.

[108] As for Claims 2 through 8:

(a) Claim 2 is dependent on Claim 1 and further requires that a former holder wherein the said recess portion is formed by inner circumferential edge of roller body with pre-determined depth to accommodate a former;

(b) Claim 3 is dependent on Claim 1 and requires a former holder wherein the said profile or contour of the former guide is configured to matingly engaged with the mouth opening of the former;

(c) Claim 4 is dependent on Claim 3 and further requires that the profile or contour of the former guide be non-circular;

(d) Claim 5 is dependent on Claim 1 and requires the profile or contour of the locking means be configured to be introduced through the mouth opening of the former;

(e) Claim 6 is dependent on Claim 5 wherein the locking means is configured on the shaft substantially at the right angel to the former guide;

(f) Claim 7 is dependent on Claim 1 and further requires that the locking means be displaceable along the common axis of the shaft by a biasing means; and

(g) Claim 8 is dependent on Claim 7 and requires that the biasing means be a spring device secured on the holder set.

[109] At the trial, the plaintiff adduced as exhs P4 and P7 what it alleged was the defendant's products which infringed Patent 342. The defendant did not dispute that exhs P4 and P7 were its products.

Applying the essential integers test

[110] The plaintiff's expert compared exhs P4 and P7 and concluded that they contained all of these features claimed by Claim 1 of Patent 342. In his report, he also included photographs to illustrate and support his conclusion.

[111] In his report, he further concluded that exhs P4 and P7 also contained all of the features claimed by Claims 2 to 8 of Patent 342, in that they were former holders comprising of:

(a) roller body having a central recess portion;

(b) a shaft secured to the roller body;

(c) a means for holding a former, wherein the means to hold the former includes:

(d) a former guide positioned centrally on the recess portion;

(e) a shaft having a D-shaped cross-section wherein terminal end of the shaft includes a threaded portion or equivalent; and

(f) a locking means with D-shaped aperture centrally located or equivalent.

Applying the improver test

[112] The first question of the improver test would be:

> Notwithstanding that it is not within the literal meaning of the relevant claim(s) of the patent, does the variant achieve substantially the same result in substantially the same way as the invention, ie the inventive concept revealed by the patent?

[113] PW1 pointed out that, if there was a variant, the variant would still be used to guide the former to the roller body in substantially the same way as the invention in Patent 342. I accept his evidence and therefore answer the first question affirmatively. Yes.

[114] The second question of the improver test would be:

> Would it be obvious to the person skilled in the art, reading the patent at the priority date, but knowing that the variant achieves substantially the same result as the invention, that it does so in substantially the same way as the invention?'

[115] In my view, the possible variant in P4 and P7 would have been obvious to the POSITA. Consequently, my answer to this second question is also affirmative. Yes.

[116] The third question would be:

> Would such a reader of the patent have concluded that the patentee nonetheless intended that strict compliance with the literal meaning of the relevant claim(s) of the patent was an essential requirement of the invention?

[117] In this regard, Patent 342 states:

> The former guide (14) is not restricted to have a same profile or contour with the mouth opening of the former. It can be in any sizes, profile or contour as long as it can be accommodated and matingly engageable to different types of former.

[118] I therefore find that, as Patent 342 clearly states that the former guide is not limited to a particular shape, a strict compliance with a certain shape is not required. I would answer this third question in the negative. No.

Conclusion

[119] I accept the plaintiff's expert's evidence and the plaintiff's contention that exhs P4 and P7 infringe Patent 342. Consequently, I find that the defendant has infringed Patent 342 and therefore find for the plaintiff on its claim for patent infringement against the defendant.

H. RELIEF/ORDERS

[120] As I have found that Patent 342 is valid and that the defendant has infringed Patent 342, I thereby allow the plaintiff's claim with costs and dismiss the defendant's counterclaim. I therefore allow all the relief sought in the statement of claim, and make the following orders/relief:

(1) a declaration that the plaintiff's Malaysian Patent No MY-145342-A ('342 Patent') is and at all material times valid and hence enforceable in Malaysia as of its date of grant on 31 January 2012;

(2) a declaration the defendant's infringing product has infringed the plaintiff's '342 Patent';

(3) a permanent/final injunction be and is hereby granted restraining the defendant, whether acting by themselves and/or any of its directors, partners, employees, officers, servants, successors in title, principals or agents thereof or any other person, whether jointly or severally or any of them or otherwise howsoever, from infringing the plaintiff's '342 Patent', including without limitation by the making, importing, distributing, offering for sale, selling or using of the defendant's infringing product and/or stocking such products for the purposes of offering for sale, selling or using;

(4) an injunction be and is hereby granted to restrain the defendant whether acting by its directors, partners, employees, officers, servants, successors

in title, principals or agents thereof or any other person, or any of them or otherwise howsoever from aiding, enabling, causing, assisting or abetting others to commit any of the infringing acts in prayer (3) above;

(5) a mandatory injunction compelling the defendant to disclose to the plaintiff, by way of affidavits, information as to the number of units of the defendant's infringing product which have been sold by the defendant and the names and addresses of all third parties to whom the defendant have supplied or intended to supply such products, within a month of such order;

(6) a mandatory injunction compelling the defendant to deliver up on oath to the plaintiff or its solicitors or nominated agents of all components usable in the defendant's infringing product, including the defendant's infringing product themselves, catalogues, brochures, advertisements, invoices, purchase orders, credit ledgers, accounting books, or other commercial documents of any kind whatsoever now or hereafter in the possession, power, custody or control of the defendant relating to the import, export, manufacture, distribution, sale, offering for sale or use of any products which would infringe the plaintiff's '342 Patent', within a month of such order;

(7) the defendant, its directors, partners, employees, officers, servants, successors in title, principals or agents do forthwith take steps, such steps to be taken in any event within 14 days from the date of the order, if granted, to withdraw, recall or retrieve from the Malaysian market, all outlets or customers they had supplied with the defendant's infringing product, and/or any products which infringes the plaintiffs '342 Patent';

(8) that, consequent upon the steps taken by the defendant in prayer (7) above, the defendant further affirms, file and serve upon the plaintiff or its solicitors an affidavit, setting forth the quantity of the defendant's infringing product withdrawn from the market and the premises where such withdrawal has been made;

(9) an order directing the delivery up or at the plaintiffs option, the destruction upon oath of all the defendant's infringing product and/or any products which infringes the plaintiff's '342 Patent', which are in the custody, control or possession of the defendant;

(10) an inquiry as to damages or, at the plaintiffs option, an account of profits and an order for payment of all sums found due upon the making of such inquiry or that taking of such account together with interest thereon at such rate and for such period as this honourable court deems fit;

(11) where the plaintiff elects for an account of profits under prayer (10), an order that the defendant prepare, and deliver up all necessary accounts and answer all necessary enquiries, within 14 days of such order;

(12) where the defendant are unable to comply with the order prayed for under prayer (11), an order for full discovery (which the defendant shall comply within 14 days of the order, if granted) and/or inspection at the defendant premises of all infringing products, components of infringing products, accounts, documents, contracts, purchase orders, delivery orders, invoices, receipts, and all other relevant documents relating to the defendant's importation, manufacture, supply, distribution and sales of the defendant's infringed product in the possession, power, custody or control of the defendant, its directors, officers, employees, servants and/or agents, for account for profits;

(13) exemplary damages to be assessed;

(14) aggravated damages to be assessed;

(15) interest on damages awarded at the rate of 5%pa from the date of the writ until full settlement; and

(16) that the defendants counterclaim to invalidate of Patent 342 be dismissed with costs.

[121] As for costs, I make an order that the defendant do pay costs of RM300,000 subject to allocator.

Plaintiff's claim allowed and defendant's counterclaim dismissed.

Reported by Ahmad Ismail